

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary - Public

**Date:** 1/20/2010

**GAIN Report Number:**

## Italy

**Post:** Rome

### Ministry of Agriculture Extends Brunello Decree for the Third Time

**Report Categories:**

Wine

**Approved By:**

Jim Dever

**Prepared By:**

Jim Dever

**Report Highlights:**

The Italian Ministry of Agriculture has extended for the third time the decree that stripped the Brunello di Montalcino consortium of the authority to certify Brunello wine due to alleged fraud in order to maintain wine exports to the U.S.

**General Information:**

**Ministry of Agriculture Extends the Brunello Decree for the Third Time**

On December 29, 2009, the Italian Ministry of Agriculture extended the decree that stripped the Brunello di Montalcino consortium of the authority to certify Brunello wine due to alleged fraud. The decree extends the authority of the Ministry's ICQ (Central Inspectorate for Food Quality—the Italian

equivalent of the U.S. FDA, FSIS and APHIS all in one) to continue to certify Brunello wine in place of the consortium. This is third time the Ministry has extended the Brunello decree.

The Ministry first enacted the decree in June 2008, following the release of information that the Siena Magistrate was conducting an investigation, which began in November 2007, into whether Brunello producers had fraudulently adulterated their wine in violation of their consortium's regulations. The Ministry extended the decree in December 2008 and once again in June 2009—each time for six months—as an interim measure, pending completion of the investigation.

### **Conclusion of "Operation Mixed Wine"**

In August 2009, the Siena Magistrate concluded "Operation Mixed Wine" and cited five Brunello wineries for adulterating their wines with grapes not authorized by the Brunello Denominazione di Origine Controllata e Garantita's (DOCG's) strict production regulations. At that time, the Guardia di Finanza also reported that 20 percent of the 6.7 million liters of Brunello di Montalcino wine impounded by the Siena Magistrate and 40 percent of 1.7 million liters of the Rosso di Montalcino DOC and Chianti Classico DOCG had been declassified (downgraded) from DOCG and DOC status, to IGT (Indicazione Geografica Tipica, Typical Geographical Place) Toscana Rosso.

The Siena Magistrate has referred the findings to a judge in preparation for trial. Reportedly, 17 persons were named in the investigation and at least one person has been cited for falsifying public documents. Under Italian law, defendants may plea bargain or proceed to trial, during which the court may decide to drop the charges or proceed to a verdict. Reportedly, 8 of the 17 persons named in the investigation have opted to plea bargain and the remainder will proceed to trial.

### **The Future of Brunello Exports to the United States**

The United States is a major importer of Brunello and other Tuscan wines. Prior to the conclusion of the investigation, the United States permitted Brunello imports to continue under the interim decrees. The current extension, like the previous two, is valid for six months until 30 June 2010. However, unlike the other two, it is the first extension to be issued following the completion of the Siena Magistrate investigation.

Observers note that while the Ministry of Agriculture's extension of the decree may be a necessary condition for continued Brunello exports to the United States, it may not be a sufficient one. Now that the investigation is complete, there is no consensus how the findings may lead to the modification of the current arrangement to better ensure the production of Brunello in accordance with Italian law. Observers also report there is a growing sentiment for the Ministry to back up its so-called 'zero tolerance' for fraud policy with action, especially given the frequency and seriousness of recent wine and food frauds in Italy, including the newly reported Chianti fraud.

